

# **EMADLANGENI MUNICIPALITY**

**KZ253**



**MEDIUM-TERM  
FINAL BUDGET**

**2017/18 TO 2019/20**

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## PART 1

### 1. MAYOR'S REPORT

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Honourable Speaker, Amakhosi oselwa, Deputy Mayor, Councillors, Officials and valuable members of our community. It gives me great pleasure to present to council the 2017/2018 final budget and the outer subsequent years. The 2017/18 budget has been hard as we are constantly required to do more with less. Our municipality is working hard and is on course in order to comply with Municipal Regulations on a Standard Chart of Accounts (Mscoa) which become effective from 1 July 2017.

As articulated by the Minister of finance in the budget speech 2017, after several years of tentative economic growth, there are signs that a more sustainable recovery might be under way on the global economic outlook. Many countries still face the challenge of ensuring that as growth picks up, its benefits accrue to all in society. The 2008 financial crisis and its aftermath exposed deep fault-lines in the world economy and in the distribution of income. Economic recovery has been slow. We operate within a connected global economic system. South Africa's economic performance is affected by global economic trends. Drought conditions have abated in most of the country. Our municipalities have been called upon in SONA 2017 to support the War on Leaks programme.

In the words of Pope Francis, *"Reforming the social structures which perpetuate poverty and the exclusion of the poor first requires a conversion of mind and heart"*. The GDP growth is expected to increase from 0.5 per cent last year to 1.3 per cent in 2017. But the projected rate of growth is not sufficient to reduce unemployment or impact significantly on poverty and inequality.

Emadlangeni Municipality, like all other Municipalities and the whole country, has no doubt that the continuing of economic downturn in our country, severe drought and high unemployment have conspired to create a very difficult situation for us indeed. The top priority of this budget is to give relief and better service delivery to the people of Emadlangeni Municipality

The Municipality's core business is enhancing service delivery for our communities. Despite the limited resources at the disposal of the municipality this budget seeks to better service delivery. We are aware of the challenges being faced by our people.

As we all know, the Municipality's infrastructure is aging, therefore, it becomes more critical that council is able to balance its finances in such a way that we are able to maintain the infrastructure and assets that we have. To this end the municipality is continuously seeking alternative sources of funds to renew this archaic infrastructure. The homes to the majority of our people lack basic necessities like electricity and running water. It is therefore imperative that this Council puts the foot on the pedal of seeking partnership with other organisations and in pursuit of improving the lives of our people as it is evident from the budget that we cannot do everything on our own with the limited financial resources we have.

The Municipality faces many challenges, chiefly the thin revenue base of the municipality. Despite these hurdles in front of us we are pleased to have put together a balanced budget under the circumstances. As the Council of Emadlangeni Municipality we are committed to improving

efficiency and implementation of sound financial management. In this regard the 2017/18 budget is being funded mainly from Government grants and own revenue.

In conclusion, I would like to thank all the Councillors for their invaluable contributions in this budget, the Acting Municipal Manager, the Heads of Departments and all staff members who made the budget process a success. Honourable Councillors with those few words I have pleasure in placing the 2017/2018 capital and operating budget for consideration and approval. It is now time to work smarter, harder and faster in delivering on our core mandate. Your continued support is a testimony and affirmation that we can do better in improving the quality of lives of our communities.

I thank you! Ngiyabonga! Dankie

Councillor L.Y Mhlungu

**MAYOR**

## **2. BUDGET RESOLUTIONS**

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- (a). That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the final budget of the municipality for the financial year 2017/18; and indicative allocations for the two projected outer years 2018/19 and 2019/20; and the multi-year and single year capital appropriations be approved.
- (b). That in terms of section 24(2)(c)(i) of the Municipal Finance Management Act, 56 of 2003, and sections 74 and 75A of the Local Government Municipal Systems Act, 32 of 2000 as amended, electricity, Refuse removal, Property rates and other Services as set out in Annexure A be approved with effect from 1 July 2017.
- (c). The comments on the draft budget 2017/18 from the KZN Provincial Treasury be noted.
- (d). That the Municipality's budget related policies remain unchanged.
- (e). That the council adopts cost containment measures which formed part of the budget preparations in terms of MFMA circular 82.

### 3. EXECUTIVE SUMMARY

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#### 3.1 OVERVIEW OF THE MUNICIPALITY

Emadlangeni Municipality is the largest municipality in the Amajuba District in terms of area. It consists of a vast rural in which there are approximately 1400 commercial farms and a low percentage of economic activity. In sharp contrast, Emadlangeni has an exceptionally low population density. Reasons for urban migration are lack of employment opportunities in the rural areas and the decrease in agriculture due to unresolved land claims. The only areas of high population density are found in Utrecht town, the Kingsley and Groenvlei settlements. Educational levels are lower in Emadlangeni than other municipalities in the Amajuba district. The Municipality's beautiful scenery, the Balele Game Park and trout fishing route to the north of the municipality offer potential for tourism activities. The Wakkerstroom wetlands and various battlefield sites in the area further enhance tourism prospects.

The municipality covers an area of 3,539 km<sup>2</sup>, has a population of 36 870 by Community survey 2016 figures and made up of 6 wards. The municipal council is constituted by eleven (11) councillors.

The Emadlangeni municipal area is the least densely populated municipality in the District estimated at 10.1 per square kilometre constitutes 7% of the total population of the Amajuba District Municipality, and 0.35% of the total population within KwaZulu-Natal.

From the 2011 Census figures, Emadlangeni has a young population. This implies that most are in the economically active age group and hence planning is required for more employment opportunities. This is a challenge that needs a strategic approach in light of the general economic dynamics of the district as a whole.

The income breakdown of Emadlangeni further qualifies the fact that there are limited formal employment opportunities in the area. More than 70% of the population earn R1600 or less per month. The number of people with no income has also increased since the 2011 census to reach 41%.

The district as a whole is facing decline in GDP in all sectors. The economy of the district has experienced a change from a dominant manufacturing base to a services base.

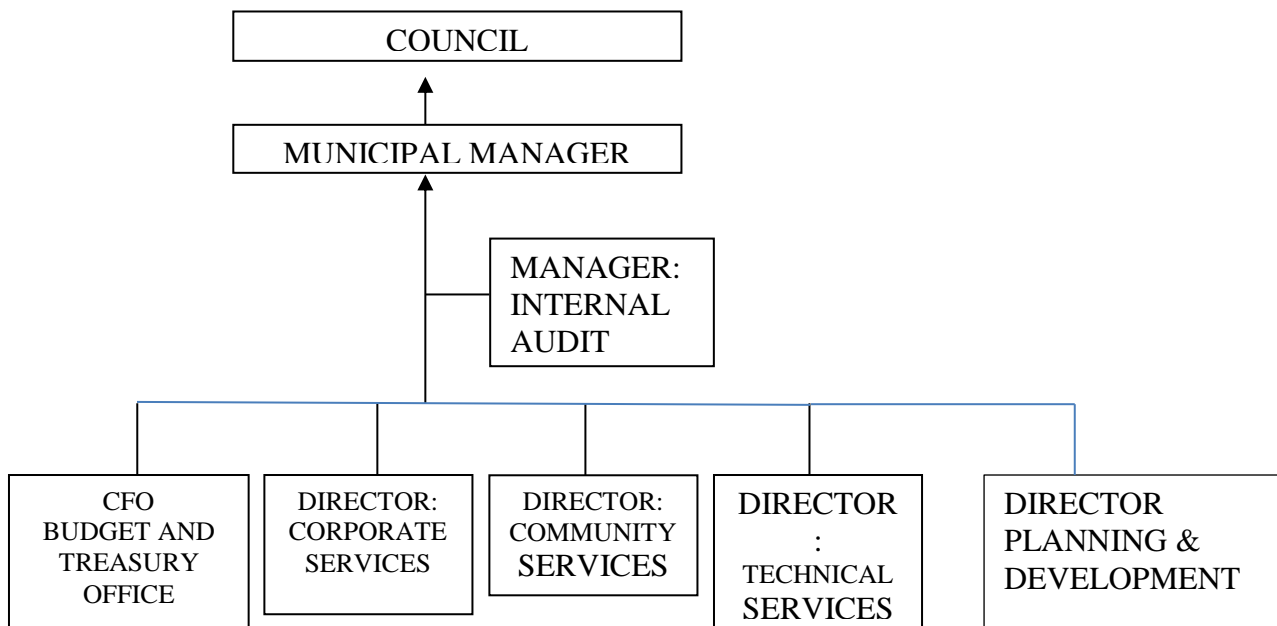
#### Organisational Structure

The Municipality has a staff compliment of approximately 125 people.

The Emadlangeni Organogram (illustrated below), and as approved by Council, makes provision for a Municipal Manager, Internal Audit, and five Departments each headed by a Director. The five Departments of the municipality are:

- Budget and Treasury
- Corporate Services
- Technical Services
- Planning & Development
- Community Services

## EMADLANGENI MUNICIPALITY: ORGANOGRAM



### 3.2 COUNCILLORS AND OFFICIALS

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#### COUNCIL

DESIGNATION	INITIALS & SURNAME	POLITICAL PARTY	WARD
Mayor	LY Mhlungu	ANC	5
Councillor	N Ndlovu	ANC	2
Councillor	ZH Madi	ANC	4
Councillor	VC Ndlovu	ANC	3
Councillor	TS Buthelezi	ANC	6
Councillor	NA Madida	ANC	1
Councillor	HM Mthethwa	IFP	PR
Councillor	FGS Smook	DA	PR
Councillor	F Mlambo	EEF	PR
Councillor	MJ Mthethwa	IFP	PR
Councillor	MM Booysen	IFP	PR

DESIGNATION	SURNAME & INITIALS
Acting Municipal Manager	Nkosi LCT
Director Community Services	Sithebe ZE
Acting Chief Financial Officer	Mtusva W
Acting Director Corporate Services	Mthethwa TO
Director Planning & Development	Mtshali SF
Director Technical Services	Vacant



### **3.3 MEDIUM TERM BUDGET 2017/18 TO 2019/20**

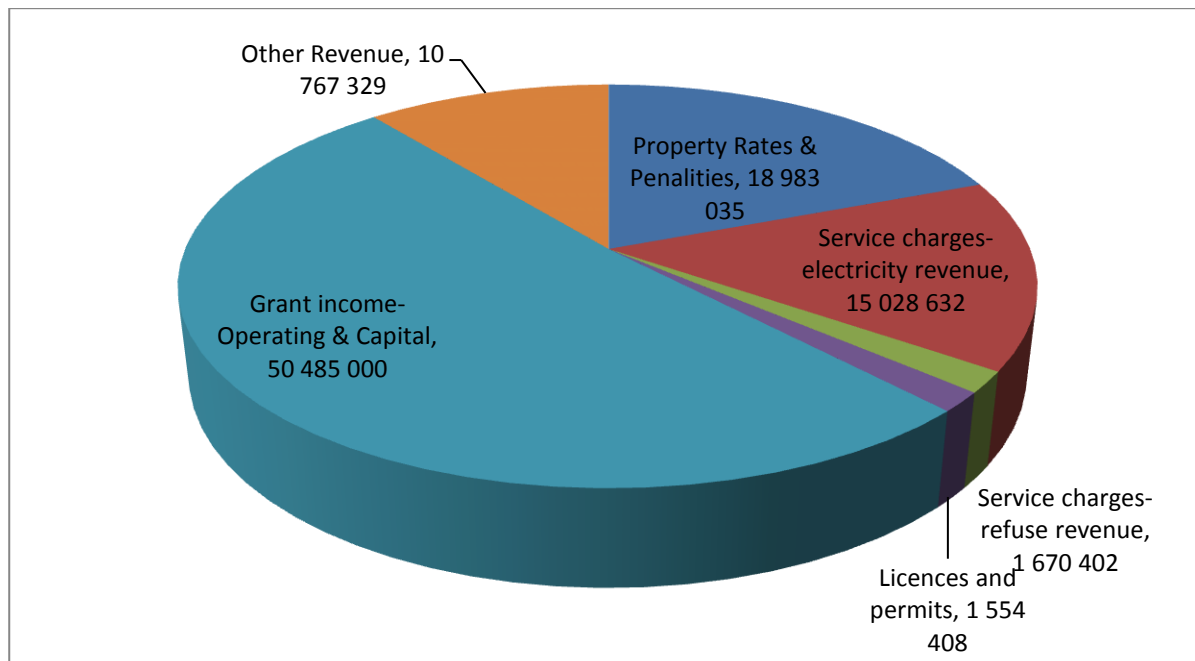
#### **INTRODUCTION**

The purpose of the 2017/18 medium-term budget is to comply with the Municipal Finance Management Act (No.56 of 2003) and is a financial plan to enable the municipality to achieve its vision and mission through the IDP which informs the Emadlangeni Municipality's five-year programme and community/stakeholder inputs.

The tabling of the 2017/2018 budget is a statement of our commitment to the people of Emadlangeni, proposing a total budget of R 98 488 807, comprising R 77 323 238 operational and R 19 743 780 capital expenditure budget. The 2017-2018 multi-term budget posed many stumbling blocks which had to be addressed and accommodated by the limited financial and other resources, not least of which is the stagnant economic growth, weakened local currency and uncertainty going forward.

The budget has been prepared in terms of guidelines as contained in National Treasury's MFMA Circulars and Budget Format and Reporting Regulations. The tabling of the final budget was as a journey towards consultation processes with communities throughout the municipal area and all other relevant stakeholders. All comments and inputs obtained through this process will be placed before Council for consideration.

## Revenue by Source:



### 3.3.1 OPERATING BUDGET

#### 3.3.1.1 Revenue

Revenue generally increased by varying percentage from the full year forecast for the 2017/2018 financial. The proposed tariff increases and other allocations as indicated below:

- In line with NERSA approved electricity increase guidelines for, electricity will go up by 1.88%.
- Property rates proposed hike is 6.4%
- Refuse is proposed to go up by 6.4%
- Other tariffs have been increased in line with market conditions particularly the Game and Recreation Park tariffs.

Property rates revenue is expected to increase by 6.4 % from the 2016/2017 full year forecast to R16.132 m. The property rates randage is expected to increase by 6.4%, the additional 1% increase in property rates revenue is expected to come from additions in property values during the year which are captured in the supplementary valuation roll.

Electricity revenue is expected to increase by 1.88% from the 2016/2017 full year forecast to R15,028 million, a mere passing on of the Eskom anticipated electricity increase in tariffs in light of the well documented challenges facing the power utility. Due to the limited revenue sources the municipality is unable to absorb the whole cost as a result of the increase hence the passing on of the cost to the consumers.

Refuse removal is expected to generate about R1.670 million to the operating revenue, representing an increase of R96 798 from the 2016/2017 full year forecast. Refuse tariffs will increase by 6.4%, an increase of R4.12 in rand value.

Fines, penalties and forfeits budget increased by R 460 657 ( 14%) in 2017/18, from R 3.3 million in 2016/17 adjusted budget to R 3.7 million in 2017/18. The increase is largely due to improved billing in traffic and law enforcement fines.

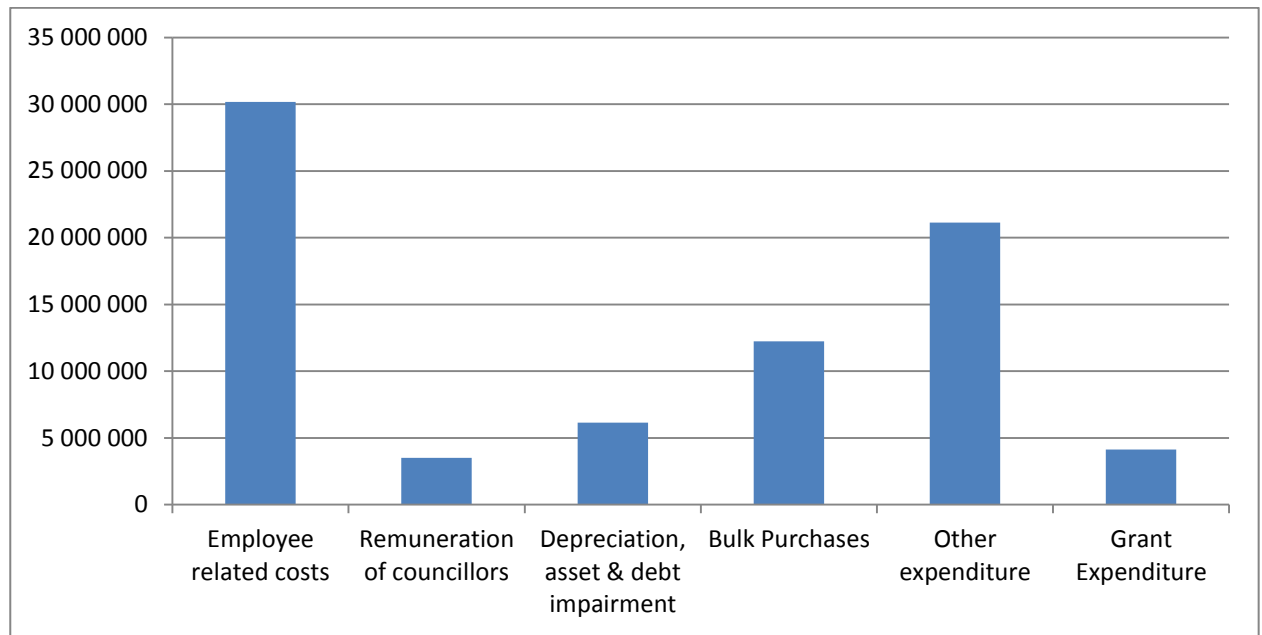
Licences and permits increased by R 187 000 (13 %) in 2017/18, from R 1.4 million in the 2016/17 adjusted budget to R 1.6 million in 2017/18. The increase is largely due to anticipated improvement in the learners and drivers licences fees.

Other revenue increased by R 1.6 million (32%) in 2017/18, from R 4.9 million in the 2016/17 adjusted budget to 6.4 million in 2017/18. The increase is largely influenced by the anticipated increase in revenue from, sale of game, hunting fees, caravan and tent stand fees, building plans and electricity connection fees.

Total grant allocations to fund operating budget are expected to be R29.0 million The expected equitable share allocation from National Government increased by R 1.8 million (7.7%) to R25.391 million. Break down of the grant allocations is detailed below:

<b>Grant</b>	<b>Allocation 2016/17</b>	<b>Budget 2017/18</b>	<b>Year</b>
Equitable Share	R23 572 000	R 25 391 000	
FMG	R1 825 000	R 1 900 000	
Provincialisation of Libraries	R559 000	R 583 000	
Community Library Service	R179 000	R 188 000	
EPWP Grant	R1 284 000	R 1000 000	
<b>Total</b>	<b>R 27 419 000</b>	<b>R 29 062 000</b>	

## Expenditure by Type:



### 3.3.1.2 Employee Related Costs : R30.172 million (39% Total Expenditure)

Employee Related Costs are expected to increase by 7% in line with the Collective Agreement on Wages and Salaries signed by the Local Government National Bargaining Council which set the salaries increases for 2017/18 financial year at average CPI ( Feb 2016- Jan 2017) plus 1 per cent.

Employee related cost budget will increase from 2016/2017 full year forecast by 14.4% to R 30.172 million. The 14.4% increase is partly explained by the 7% expected salary increase. The remainder of the increase is attributed to vacant positions expected to be filled in the 2017/18 financial year. The municipality has revised the organogram to comply with Cogta's recommended employees structure and this resulted to new additional posts being budgeted and filled in 2016/17.

Key positions notably Director Technical Services and Director Community Services were not filled in the first half of 2016/17 year due to the failure to attract the required candidates. In view of the challenges of attracting talent to our rural municipality, council made a resolution to approach relevant professional bodies like Auditor General (for finance), Engineering Bodies (Technical Staff) and other relevant professional bodies in recruitment processes. This has yielded positive results to date some positions have been filled and others are in final stages of recruitment as a result of the new approach. Therefore, most of the vacant positions for senior managers including Director Technical Services, are expected to be finalised before the new financial year. In light of all the above Employee costs are budgeted to increase by 14.4% from 2016/17 financial year.

Councillor remuneration is budgeted at R3.5 million for 2017/2018 financial year. Councillors remuneration has been budgeted to increase by 6.5% from the 2016/2017 forecast. This is largely due to the fact that the Councillors remuneration were increased

from grade 1 to grade 2 municipality. The summary of the budgeted Councillors' allowances is reflected in tables SA22 and SA23 hereto.

#### 3.3.1.3 Other Expenditure : R17.864 million (23% of Total Expenditure)

Other expenditure breakdown is provided in table SA1 of the budget:

Notably, significant amounts are for , Repairs and Maintenance, Legal costs, Licenses and IT agreements, Salga annual subscriptions, Security Services, External Audit fees, Insurance fees, Town and regional planning and. Furthermore, in resonance with National Treasury the municipality's infrastructure is aging and more and more is required in repairs and maintenance. The municipality is facing pending court cases, consequently the significant legal costs.

Security has significantly increased from the previous years as the municipality has beefed up security measures on municipal premises to safeguard municipal assets in light of the break ins and theft at municipal properties and also is proving security services for the Mayor.

#### 3.3.1.4 Bulk Purchases : R12.2 million (16% of Total Expenditure)

The budget for Bulk Electricity purchases increased by 1.88 % from the 2016/2017 full year forecast in line with the published guidelines on municipal electricity by NERSA (electricity regulator).

#### 3.3.1.5 Depreciation and Asset Impairment : R4.6million (6% of Total Expenditure)

The 2017/18 depreciation and asset impairment budget increased to R4.5million is an increase of 5% from the full year forecast for 2016/17 year.

The bulk of the additions for the year are infrastructure assets depreciated between 20-30 years. In addition, some assets are expected to be fully depreciated during 2017/2018 and coming years. Therefore, depreciation and asset impairment increased by 5% from the audited income for 2015/16. As assets are becoming fully depreciated asset impairment and depreciation is not expected to be as high as prior periods despite the additions.

#### 3.3.1.6 Debt Impairment : R1.5 million (2% of Total Expenditure)

The 2017/18 debt impairment budget increased by 59% from the audited outcome for 2016/2017 financial year and by 5% from the current year's full forecast. Based on previous years, profile of our debtors and the expected discounted cash flows from debtors between 40% and 50% of Emadlangeni debtors book is impaired. Therefore, the increase for the current year is reasonable as it will take the debt impairment balance to the expected range between alluded in the preceding discussion.

#### 3.3.1.7 Grant Expenditure : R4.1 million (5% of Total Expenditure)

Grant expenditure has also increased by 8% from the 2016/17 full year forecast in consideration of the National Budget allocations for the 2017/18 financial year.

#### 3.3.1.8 Contracted Services R2.8 million (4% of Total Expenditure)

Contracted services are expected to decrease by R 57 726 (-1.9%) from, R 2.9 million in 2016/17 adjusted budget to R 2.8 million in 2017/18. The new major costs in contracted services for 2017/18 are MSCOA project, and the costs for properties valuation roll.

#### 3.3.1.8 Total Operating Expenditure R77.023 million

Total expenditure for the 2017/18 financial year is estimated at R77 023 238. This represents a decrease of 19 % from 2016/17 budget and an 8.% increase from the 2015/16 audited outcome. The increases are attributed to reasons mentioned in the preceding paragraphs. The overall budget for operational expenditure in year 2016/17 was increased as it was an inaugural year for the new council which came into effect from 23 August 2017, the council increased from 7 to 11 councillors.

### 3.3.2 CAPITAL BUDGET : R19.7 MILLION

#### 3.3.2.1 Funding Sources

The total capital budget amounts to R 19 743 780 which will be funded as follows:

FUNDING SOURCE	AMOUNT®	%
National & Provincial Grants	18 423 780	93%
Own revenue	1 320 000	7%
<b>Total Funding</b>	<b>19 743 780</b>	<b>100%</b>

A break down of the Capital grant allocations is detailed below:

Grant	Allocation 2016/17	Budget 2017/18	Year
Municipal Infrastructure grant ( MIG)	R 8 913 000.00	R 9 423 000.00	
Electrification Grant ( INEP)	R9 000 000.00	R 12 000 000.00	
Small Town Rehabilitation	R9 000 000.00	0	
<b>Total</b>	<b>R 26 913 000</b>	<b>R 21 423 000</b>	

A grant for small town rehabilitation was not received in 2017/18

#### 3.3.2.2 Capital Summary

The summary of major capital budget is as follows:

PROJECT	AMOUNT R ( Million)
Rural Electrification Projects: Barrowedweld electrification Luthilunye electrification Kroodraai Thobothi Vaaihoek	R 12 M
MIG projects: -SITELENGA GRAVEL ROAD – REHABILITATION - GROENVLEI GRAVEL ROADS – REHABILITATION - ENZIMANE GRAVEL ROAD (WARD 1) – REHABILITATION - PMU - KWA-NTABA & EKHASHINI GRAVELACCESS ROAD (WARD 1) - BALGRAY 1 & 2: ACCESS ROAD REHABILITATION (GRAVEL) - SLAGVELD GRAVEL ROAD - REHABILITATION	R 9.4 M

### **3.3.3. CHALLENGES FACED IN PREPARING 2017/2018 BUDGET**

#### **3.3.3.1 Operating Budget**

- Filling of all critical vacant positions as per organogram
- Insufficient provision for maintenance in view of the aging infrastructure and other assets.
- Draft budget 2017/18 had to comply with MSCOA classification framework
- Some of the tariffs were not increased in light of affordability.

### **3.3.4 ALIGNMENT WITH NATIONAL AND PROVINCIAL PRIORITIES**

The Emadlangeni Municipality's IDP and Medium-term budget is compelled to align with national and provincial initiatives to enhance optimal congruence with government. The Municipality is of the opinion that this budget is prepared to give effect to the priorities and support long-term sustained growth and development in line with National and Provincial objectives.

#### **Legal requirements**

In terms of Chapter 5 of the Municipal Systems Act of 2000 all municipalities are required to develop and adopt an Integrated Development Plan. The ELM IDP was initially developed and approved in 2002 and subsequent annual reviews of the IDP have since been done as required in terms of the Section 34 of the Municipal Systems Act together with the provisions of Section 53(1) of the MFMA 56 of 2003.

Alignment of the IDP and the budget continues to pose a challenge to the municipality however the municipality continues to strive to achieve this alignment in an effort to ensure that the strategic objectives as articulated in the development plan are adequately addressed. This is given the fact that the IDP comprises one of the major tools which are aimed at ensuring that the local government fully fills its developmental role. The implementation of MSCOA from 1 July 2017 will assist to ensure that the alignment of IDP and budget is achieved.

#### **Alignment approach**

The review process is guided by the process plan which was reviewed, considered and adopted by Council and later submitted to the IDP Representative Forum for inputs. An extensive community and stakeholder consultation was undertaken to consider the review and inputs into the existing IDP. The processes of reviewing the IDP seeks to amongst other things review and reconsider the strategic objectives and revision of priorities and to incorporate any possible funding of projects to meet the strategic objectives which may have become available during the year. The review process also seeks to incorporate any recommendations from COGTA which serve to ensure that the 6 broad National Priorities are adequately met.

- Municipal Institutional Transformation
- Local Economic Development
- Basic Service Delivery and Infrastructure Investment
- Financial Viability and Financial Management



- Good Governance and Community Participation
- Spatial Development Framework

In an attempt to comply with the Municipal systems Act and Municipal Financial Management Act (2003), ELM's budget has to a large degree been informed and aligned to the IDP objectives more so the service delivery & infrastructure requirements , institutional transformation, Good Governance and the financial viability & financial management aspect of the IDP objectives. Both the capital and operating budget have been allocated in a manner which ensures the achievement of the recently mentioned objectives. The ELM will continue to prioritize the strategic objectives of the IDP more so the income generating investment infrastructure and at the same time not compromising in addressing the service delivery infrastructure backlogs. This will be done by gradually refraining from departmental capital budgeting to prioritizing income generating assets and infrastructure.

The 2017/18 medium term budget sought to address some of the identified priorities.

## 4. BUDGET TABLES AND RELATED CHARTS

As per A1 Budget Schedule (Annexure B)

KZN253 eMahlangueni - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	12 723	13 184	14 316	15 032	15 032	15 032	15 032	16 132	17 181	18 300
Service charges	12 934	13 340	15 835	16 338	16 338	16 338	16 338	16 699	17 046	17 403
Investment revenue	1 293	1 293	1 480	1 554	1 354	1 354	1 354	1 529	1 620	1 714
Transfers recognised - operational	20 668	23 783	28 639	28 376	27 419	27 419	27 419	29 062	30 087	31 471
Other own revenue	4 192	3 244	9 563	13 735	11 421	11 421	11 421	13 643	14 448	15 286
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>51 810</b>	<b>54 845</b>	<b>69 833</b>	<b>75 035</b>	<b>71 564</b>	<b>71 564</b>	<b>71 564</b>	<b>77 066</b>	<b>80 381</b>	<b>84 173</b>
Employee costs	17 044	18 240	20 554	26 659	26 391	26 391	26 391	30 173	31 945	33 648
Remuneration of councillors	1 744	1 854	1 920	3 013	3 286	3 286	3 286	3 500	3 707	3 922
Depreciation & asset impairment	5 761	6 190	6 163	5 808	4 514	4 514	4 514	4 599	4 870	5 153
Finance charges	103	98	101	101	101	101	101	79	71	63
Materials and bulk purchases	8 321	11 021	11 310	12 199	12 199	12 199	12 199	12 237	12 274	12 313
Transfers and grants	—	—	—	—	—	—	—	—	—	—
Other expenditure	18 948	17 145	31 210	25 555	30 543	30 543	30 543	26 436	25 774	27 116
<b>Total Expenditure</b>	<b>51 921</b>	<b>54 547</b>	<b>71 258</b>	<b>73 335</b>	<b>77 033</b>	<b>77 033</b>	<b>77 033</b>	<b>77 023</b>	<b>78 642</b>	<b>82 214</b>
<b>Surplus/(Deficit)</b>	<b>(111)</b>	<b>297</b>	<b>(1 425)</b>	<b>1 700</b>	<b>(5 469)</b>	<b>(5 469)</b>	<b>(5 469)</b>	<b>43</b>	<b>1 739</b>	<b>1 959</b>
Transfers and subsidies - capital (monetary allocation)	7 609	14 398	19 183	26 913	26 913	26 913	26 913	21 423	19 667	24 987
Contributions recognised - capital & contributed assets	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>7 498</b>	<b>14 696</b>	<b>17 758</b>	<b>28 613</b>	<b>21 444</b>	<b>21 444</b>	<b>21 444</b>	<b>21 466</b>	<b>21 406</b>	<b>26 946</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>7 498</b>	<b>14 696</b>	<b>17 758</b>	<b>28 613</b>	<b>21 444</b>	<b>21 444</b>	<b>21 444</b>	<b>21 466</b>	<b>21 406</b>	<b>26 946</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>15 131</b>	<b>21 120</b>	<b>20 593</b>	<b>25 222</b>	<b>27 396</b>	<b>27 396</b>	<b>27 396</b>	<b>19 744</b>	<b>19 564</b>	<b>24 659</b>
Transfers recognised - capital	13 814	9 236	15 446	24 322	24 272	24 272	24 272	18 424	16 914	21 489
Public contributions & donations	—	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	1 318	11 884	5 148	900	3 125	3 125	3 125	1 320	2 650	3 170
<b>Total sources of capital funds</b>	<b>15 131</b>	<b>21 120</b>	<b>20 593</b>	<b>25 222</b>	<b>27 396</b>	<b>27 396</b>	<b>27 396</b>	<b>19 744</b>	<b>19 564</b>	<b>24 659</b>
<b>Financial position</b>										
Total current assets	34 804	40 795	38 794	54 101	45 222	45 222	45 222	36 776	41 179	46 457
Total non current assets	101 738	117 677	138 299	152 001	162 613	162 168	162 168	161 574	176 675	196 536
Total current liabilities	12 426	12 470	22 987	8 197	8 197	8 197	8 197	6 214	4 052	1 866
Total non current liabilities	8 029	8 313	8 709	10 684	10 702	10 702	10 702	11 955	12 216	12 595
Community wealth/Equity	116 086	137 690	145 397	187 222	188 935	188 490	188 490	180 180	201 586	228 532
<b>Cash flows</b>										
Net cash from (used) operating	15 517	12 087	23 815	36 836	27 474	27 474	27 474	10 378	19 155	25 163
Net cash from (used) investing	(16 659)	(14 216)	(22 225)	(25 222)	(27 396)	(27 396)	(27 396)	(19 744)	(19 564)	(24 659)
Net cash from (used) financing	(41)	29	(51)	(52)	(52)	(52)	(52)	(33)	(73)	(124)
<b>Cash/cash equivalents at the year end</b>	<b>4 506</b>	<b>25 924</b>	<b>27 463</b>	<b>33 748</b>	<b>21 053</b>	<b>21 053</b>	<b>21 053</b>	<b>11 654</b>	<b>11 172</b>	<b>11 551</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	25 924	27 763	21 328	30 232	21 353	21 353	21 353	11 975	11 494	11 873
Application of cash and investments	2 775	(808)	2 275	(17 532)	(17 532)	(17 532)	(17 532)	(15 329)	(23 440)	(31 256)
<b>Balance - surplus (shortfall)</b>	<b>23 148</b>	<b>28 571</b>	<b>19 053</b>	<b>47 764</b>	<b>38 885</b>	<b>38 885</b>	<b>38 885</b>	<b>27 305</b>	<b>34 934</b>	<b>43 129</b>
<b>Asset management</b>										
Asset register summary (WDV)	15 131	21 228	20 093	25 222	27 396	27 396	29 198	29 198	29 294	35 374
Depreciation	5 631	6 059	5 961	5 808	4 560	4 493	4 030	4 030	4 667	6 227
Renewal of Existing Assets	—	—	2 066	8 913	9 813	9 813	9 813	9 454	9 730	10 715
Repairs and Maintenance	1 826	1 793	5 686	5 414	3 259	3 259	2 715	2 715	2 875	2 872
<b>Free services</b>										
Cost of Free Basic Services provided	—	—	—	662	662	662	692	692	733	775
Revenue cost of free services provided	2 493	2 786	2 920	3 066	3 066	3 066	3 123	3 123	3 307	3 499
<b>Households below minimum service level</b>										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

KZN253 eMahlangueni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

AKN230 (including) - Table A2 Budgeted Financial Performance (Revenue and Expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
Governance and administration		52 274	60 224	69 787	78 871	76 164	76 164	51 996	55 536	58 530
Executive and council		15 625	17 467	21 017	23 572	23 572	23 572	25 391	27 122	28 210
Finance and administration		36 649	42 757	48 770	55 299	52 592	52 592	26 605	28 414	30 320
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 715	1 741	2 594	2 775	2 879	2 879	4 204	4 445	4 692
Community and social services		572	580	937	983	987	987	1 776	1 875	1 972
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 143	1 161	1 657	1 792	1 892	1 892	2 428	2 571	2 720
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		57	84	352	369	376	376	22 819	20 087	25 431
Planning and development		-	-	-	-	-	-	1 330	349	369
Road transport		57	84	352	369	376	376	21 490	19 738	25 062
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		12 934	13 340	15 401	16 544	16 569	16 569	16 934	17 295	17 666
Energy sources		11 650	11 995	13 890	14 957	14 982	14 982	15 264	15 533	15 807
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 284	1 346	1 511	1 587	1 587	1 587	1 670	1 762	1 859
Other	4	598	837	2 917	3 388	2 488	2 488	2 535	2 684	2 840
Total Revenue - Functional	2	67 578	76 226	91 051	101 948	98 477	98 477	98 489	100 048	109 160
Expenditure - Functional										
Governance and administration		31 880	32 726	37 477	36 417	40 024	40 024	36 637	37 638	39 848
Executive and council		7 436	10 249	10 477	9 026	11 651	11 651	9 367	9 936	10 500
Finance and administration		24 444	22 476	27 000	27 391	28 373	28 373	26 810	27 142	28 756
Internal audit		-	-	-	-	-	-	460	560	592
Community and public safety		5 950	6 394	10 564	11 328	10 484	10 484	12 674	13 416	14 183
Community and social services		1 866	2 411	5 582	6 004	4 774	4 774	5 948	6 293	6 647
Sport and recreation		2 042	2 150	2 119	2 187	2 388	2 388	2 277	2 411	2 551
Public safety		2 042	1 833	2 862	3 137	3 321	3 321	4 449	4 712	4 985
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		2 499	2 379	7 362	8 118	8 773	8 773	9 604	9 096	9 441
Planning and development		-	91	3 189	3 186	4 238	4 238	4 774	3 997	4 229
Road transport		2 499	2 288	4 173	4 932	4 534	4 534	4 830	5 099	5 213
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		10 363	11 545	14 165	15 222	15 309	15 309	15 360	15 583	15 812
Energy sources		10 103	11 339	13 537	14 276	14 585	14 585	14 429	14 597	14 769
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		260	206	628	946	724	724	931	986	1 043
Other	4	1 599	1 520	1 758	2 249	2 443	2 443	2 748	2 910	2 929
Total Expenditure - Functional	3	52 291	54 563	71 326	73 335	77 033	77 033	77 023	78 642	82 214
Surplus/(Deficit) for the year		15 287	21 663	19 725	28 613	21 444	21 444	21 466	21 406	26 946

KZN253 eMahlangueni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote		1									
Vote 1 - Governance and Administration			52 274	60 224	69 787	78 871	76 164	76 164	51 996	55 536	58 530
Vote 2 - Community and Public Safety			1 715	1 741	2 594	2 775	2 879	2 879	4 204	4 445	4 692
Vote 3 - Economic and Environmental Services			57	84	352	369	376	376	22 819	20 087	25 431
Vote 4 - Trading Services			12 934	13 340	15 401	16 544	16 569	16 569	16 934	17 295	17 666
Vote 5 - Other.			598	837	2 917	3 388	2 488	2 488	2 535	2 684	2 840
Vote 6 - [NAME OF VOTE 6]			-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]			-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	67 578	76 226	91 051	101 948	98 477	98 477	98 489	100 048	109 160
Expenditure by Vote to be appropriated		1									
Vote 1 - Governance and Administration			31 950	32 726	37 477	36 417	40 025	40 025	36 637	37 638	39 848
Vote 2 - Community and Public Safety			5 880	6 394	10 564	11 328	10 484	10 484	12 674	13 415	14 182
Vote 3 - Economic and Environmental Services			2 499	2 379	7 362	8 118	8 773	8 773	9 604	9 096	9 441
Vote 4 - Trading Services			10 363	11 545	14 165	15 222	15 309	15 309	15 360	15 583	15 812
Vote 5 - Other.			1 599	1 520	1 758	2 249	2 443	2 443	2 748	2 910	2 929
Vote 6 - [NAME OF VOTE 6]			-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]			-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	52 291	54 563	71 326	73 335	77 033	77 033	77 023	78 642	82 214
Surplus/(Deficit) for the year		2	15 287	21 663	19 725	28 613	21 444	21 444	21 466	21 406	26 946

KZN253 eMdlalangi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source												
Property rates	2		12 723	13 184	14 316	15 032	15 032	15 032	15 032	16 132	17 181	18 300
Service charges - electricity revenue	2		11 650	11 995	14 324	14 751	14 751	14 751	14 751	15 029	15 284	15 543
Service charges - water revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2		1 284	1 346	1 511	1 587	1 587	1 587	1 587	1 670	1 762	1 859
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			982	1 097	2 088	2 193	1 843	1 843	1 843	1 877	1 988	2 103
Interest earned - external investments			1 293	1 293	1 480	1 554	1 354	1 354	1 354	1 529	1 620	1 714
Interest earned - outstanding debtors			-	-	-	-	-	-	-	-	-	-
Dividends received			-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			57	242	286	3 150	3 251	3 251	3 251	3 712	3 931	4 159
Licences and permits			1 097	947	1 340	1 427	1 427	1 427	1 427	1 554	1 646	1 742
Agency services			-	-	-	-	-	-	-	-	-	-
Transfers and subsidies			20 668	23 783	28 639	28 376	27 419	27 419	27 419	29 062	30 087	31 471
Other revenue	2		2 056	958	5 848	6 965	4 900	4 900	4 900	6 500	6 883	7 282
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			51 810	54 845	69 833	75 035	71 564	71 564	71 564	77 066	80 381	84 173
Expenditure By Type												
Employee related costs	2		17 044	18 240	20 554	26 659	26 391	26 391	26 391	30 173	31 945	33 648
Remuneration of councillors			1 744	1 854	1 920	3 013	3 286	3 286	3 286	3 500	3 707	3 922
Debt impairment	3		2 105	2 176	2 301	2 416	1 516	1 516	1 516	1 544	1 635	1 730
Depreciation & asset impairment	2		5 761	6 190	6 163	5 808	4 514	4 514	4 514	4 599	4 870	5 153
Finance charges			103	98	101	101	101	101	101	79	71	63
Bulk purchases	2		8 321	9 041	11 310	12 199	12 199	12 199	12 199	12 237	12 274	12 313
Other materials	8		-	1 981	-	-	-	-	-	-	-	-
Contracted services			3 398	3 249	2 516	1 100	2 943	2 943	2 943	2 885	2 117	2 241
Transfers and subsidies			-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5		13 446	11 720	26 394	22 039	26 084	26 084	26 084	22 007	22 022	23 145
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-
Total Expenditure			51 921	54 547	71 258	73 335	77 033	77 033	77 033	77 023	78 642	82 214
Surplus/(Deficit)			(111)	297	(1 425)	1 700	(5 469)	(5 469)	(5 469)	43	1 739	1 959
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			7 609	14 398	19 183	26 913	26 913	26 913	26 913	21 423	19 667	24 987
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Transfers and subsidies - capital (in-kind - all)	6		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			7 498	14 696	17 758	28 613	21 444	21 444	21 444	21 466	21 406	26 946
Taxation			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			7 498	14 696	17 758	28 613	21 444	21 444	21 444	21 466	21 406	26 946
Attributable to minorities			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			7 498	14 696	17 758	28 613	21 444	21 444	21 444	21 466	21 406	26 946
Share of surplus/ (deficit) of associate	7		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year			7 498	14 696	17 758	28 613	21 444	21 444	21 444	21 466	21 406	26 946

KZN253 eMahlangueni - Table A6 Budgeted Financial Position

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS												
Current assets												
Cash			8 015	8 345	21 028	29 932	21 053	21 053	21 053	11 654	11 172	11 551
Call investment deposits	1		17 908	19 418	300	300	300	300	300	322	322	322
Consumer debtors	1		8 825	11 482	12 678	22 669	22 669	22 669	22 669	15 863	18 814	27 898
Other debtors			55	1 550	4 788	1 200	1 200	1 200	1 200	8 937	10 871	6 686
Current portion of long-term receivables												
Inventory	2											
Total current assets			34 804	40 795	38 794	54 101	45 222	45 222	45 222	36 776	41 179	46 457
Non current assets												
Long-term receivables												
Investments												
Investment property			44 432	43 889	43 203	41 236	41 236	41 236	41 236	43 203	43 203	43 203
Investment in Associate												
Property , plant and equipment	3		55 698	71 932	93 601	109 116	118 239	118 239	118 239	116 303	131 405	151 266
Agricultural												
Biological												
Intangible			118	367	304	159	1 648	1 648	1 648	877	877	877
Other non-current assets			1 490	1 490	1 191	1 490	1 490	1 045	1 045	1 191	1 191	1 191
Total non current assets			101 738	117 677	138 299	152 001	162 613	162 168	162 168	161 574	176 675	196 536
TOTAL ASSETS			136 541	158 473	177 093	206 103	207 835	207 390	207 390	198 349	217 854	242 993
LIABILITIES												
Current liabilities												
Bank overdraft	1		–	–	–	–	–	–	–	–	–	–
Borrowing	4		125	130	52	52	52	52	52	33	73	81
Consumer deposits			150	164	164	189	189	189	189	165	165	165
Trade and other payables	4		10 761	10 709	20 999	6 337	6 337	6 337	6 337	4 532	2 192	(148)
Provisions			1 391	1 467	1 772	1 619	1 619	1 619	1 619	1 484	1 622	1 768
Total current liabilities			12 426	12 470	22 987	8 197	8 197	8 197	8 197	6 214	4 052	1 866
Non current liabilities												
Borrowing			863	808	811	703	703	703	703	711	531	442
Provisions			7 166	7 505	7 898	9 981	9 999	9 999	9 999	11 243	11 685	12 153
Total non current liabilities			8 029	8 313	8 709	10 684	10 702	10 702	10 702	11 955	12 216	12 595
TOTAL LIABILITIES			20 455	20 783	31 696	18 881	18 900	18 900	18 900	18 169	16 268	14 460
NET ASSETS			116 086	137 690	145 397	187 222	188 935	188 490	188 490	180 180	201 586	228 532
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			116 086	137 690	145 397	187 222	188 935	188 490	188 490	180 180	201 586	228 532
Reserves	4		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY			116 086	137 690	145 397	187 222	188 935	188 490	188 490	180 180	201 586	228 532

KZN253 eMahlangueni - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates					17 830	17 830	17 830	17 830	10 120	12 097	13 203
Service charges		21 135	22 634	22 509	16 338	16 338	16 338	16 338	12 988	14 988	16 850
Other revenue		2 224	3 230	1 867	10 937	8 623	8 623	8 623	14 111	14 944	15 811
Government - operating	1	27 167	28 250	40 541	28 376	27 419	27 419	27 419	29 062	30 087	31 471
Government - capital	1				26 913	26 913	26 913	26 913	21 423	19 667	24 987
Interest		864	1 293	1 293	1 554	1 354	1 354	1 354	1 587	1 680	1 778
Dividends		-	-		-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(32 935)	(43 217)	(42 297)	(60 311)	(67 083)	(67 083)	(67 083)	(74 692)	(70 789)	(75 114)
Finance charges		(108)	(103)	(98)	(101)	(101)	(101)	(101)	(79)	(71)	(63)
Transfers and Grants	1	(2 831)			(4 699)	(3 819)	(3 819)	(3 819)	(4 142)	(3 448)	(3 760)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>15 517</b>	<b>12 087</b>	<b>23 815</b>	<b>36 836</b>	<b>27 474</b>	<b>27 474</b>	<b>27 474</b>	<b>10 378</b>	<b>19 155</b>	<b>25 163</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			616						-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments		(8 571)	300	(997)					-	-	-
<b>Payments</b>											
Capital assets		(8 087)	(15 131)	(21 228)	(25 222)	(27 396)	(27 396)	(27 396)	(19 744)	(19 564)	(24 659)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(16 659)</b>	<b>(14 216)</b>	<b>(22 225)</b>	<b>(25 222)</b>	<b>(27 396)</b>	<b>(27 396)</b>	<b>(27 396)</b>	<b>(19 744)</b>	<b>(19 564)</b>	<b>(24 659)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing		(41)	29	(51)	(52)	(52)	(52)	(52)	(33)	(73)	(124)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(41)</b>	<b>29</b>	<b>(51)</b>	<b>(52)</b>	<b>(52)</b>	<b>(52)</b>	<b>(52)</b>	<b>(33)</b>	<b>(73)</b>	<b>(124)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(1 182)</b>	<b>(2 099)</b>	<b>1 540</b>	<b>11 562</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>(9 399)</b>	<b>(481)</b>	<b>379</b>
Cash/cash equivalents at the year begin:	2	<b>5 688</b>	<b>28 023</b>	<b>25 924</b>	<b>22 186</b>	<b>21 028</b>	<b>21 028</b>	<b>21 028</b>	<b>21 053</b>	<b>11 654</b>	<b>11 172</b>
Cash/cash equivalents at the year end:	2	<b>4 506</b>	<b>25 924</b>	<b>27 463</b>	<b>33 748</b>	<b>21 053</b>	<b>21 053</b>	<b>21 053</b>	<b>11 654</b>	<b>11 172</b>	<b>11 551</b>

KZN253 eMahlangueni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	4 506	25 924	27 463	33 748	21 053	21 053	21 053	11 654	11 172	11 551
Other current investments > 90 days		21 418	1 840	(6 135)	(3 516)	300	300	300	322	322	322
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>25 924</b>	<b>27 763</b>	<b>21 328</b>	<b>30 232</b>	<b>21 353</b>	<b>21 353</b>	<b>21 353</b>	<b>11 975</b>	<b>11 494</b>	<b>11 873</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		4 745	1 893	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(1 970)	(2 701)	2 275	(17 532)	(17 532)	(17 532)	(17 532)	(26 175)	(40 216)	(38 644)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>2 775</b>	<b>(808)</b>	<b>2 275</b>	<b>(17 532)</b>	<b>(17 532)</b>	<b>(17 532)</b>	<b>(17 532)</b>	<b>(26 175)</b>	<b>(40 216)</b>	<b>(38 644)</b>
<b>Surplus(shortfall)</b>		<b>23 148</b>	<b>28 571</b>	<b>19 053</b>	<b>47 764</b>	<b>38 885</b>	<b>38 885</b>	<b>38 885</b>	<b>38 151</b>	<b>51 710</b>	<b>50 517</b>



## PART 2 – SUPPORTING DOCUMENTATION

### 5 OVERVIEW OF BUDGET PROCESS

#### 5.1 Political Oversight of Budget Process

The concept of political oversight over the budget process is of paramount importance and it is crucial to ensuring that strategy informs budget.

The political oversight role of the Mayor is contained in Section 53 (1)(a) and (b) of the Municipal Finance Management Act (MFMA). It requires that the Mayor must provide political guidance over the budget process and the priorities that guide the preparation of the budget. It further requires that the Mayor co-ordinate the revision of the IDP and the preparation of the annual budget and to determine how the IDP is to be taken into account for the purpose of the budget.

The demands on the Municipality to address service delivery backlogs and to improve service delivery to all of its citizens, within current financial resources, are challenging. Political oversight of the budget process is therefore essential to ensure that the priorities of the municipality are addressed through budget allocations.

#### 5.2 Schedule of key deadlines relating to budget process

One of the objectives of the budget timetable is to ensure the development of IDP and the budget and also to ensure that a balanced budget is tabled for consideration and approval. The timetable schedule for the compilation of the 2017/18 budget cycle was tabled to Council during August 2016 in compliance with the MFMA.

The following is a detailed key deadlines relating to the budget process:

EMADLANGENI MUNICIPALITY - IDP/BUDGET PROCESS PLAN : 2017/2018				
		ACTION	PURPOSE	TARGET
1		<b>Provisional planning of IDP, Budget, PMS Process</b>	To align IDP & Budget processes	<b>Mid July 2016</b>
		- Workshop Preliminary Plan with ManCo for comment – MANCO		11 August 2016
		Portfolio Committee		26 September 2016
		- Discussion of Process Plan with Mayor		01 September 2016
2		<b>Finalise Budget &amp; IDP Process Plan</b>	To determine responsibilities, role players, budget priorities, principles and budget framework	<b>Mid August 2016</b>
		- Plan approved by Council		13 September 2016
		- Workshop Representative Forum		21 September 2016
		Workshop Ward Committees		19/20 September 2016
		- Plan workshopped with Council		27 September 2016
		- Plan approved by Council		29 September 2016
		Workshop Extended Manco		03 October 2016

<b>3</b>		<b>Review Current Reality and Strategies - IDP</b>		<b>31 August 2016</b>
	<b>(a)</b>	<b>- Evaluation of changed circumstances</b>	<b>To inform Status Quo</b>	
		- Evaluation of Comments from MEC's Office and Public for the 2016/17 IDP Review	To highlight areas of priority as per MEC's Office	Mid August 2016
		- Assessment of sector plans	To identify gaps for alignment with IDP	End August 2016
		- Evaluation of National and Provincial Programmes	To ensure alignment with other spheres of government	End August 2016
	<b>(c)</b>	<b>Prepare a Consolidated IDP Status quo and Strategies Report</b>		<b>Mid October 2016</b>
<b>4</b>	<b>(a)</b>	<b>Development of budget guidelines for:</b>	To determine spending levels.	<b>30 September 2016</b>
		Increase of Budget (National Treasury)	To set criteria for the budget.	30 September 2016
		Increase in remuneration.	To determine levels of income	30 September 2016
		Determination of impact of economic trends on levels of service	To evaluate existing tariffs	30 September 2016
		Review Budget Related Policies: - Credit Control, Indigent, Investment, Borrowing Grant Policies		30 September 2016
		Determine Subsidies and Grants	Use MTEF	30 September 2016
		Contribution to: Bad Debts and other Reserves		30 September 2016
		Determine increase in bulk purchases		30 September 2016
		Level Of Cross Subsidisation		30 September 2016
		Filling Of Vacancies		30 September 2016
		Alignment of budget to IDP( Action Plan) in line applied prioritisation model		30 September 2016
		Alignment of guidelines to Financial Plan		30 September 2016
	<b>(b)</b>	<b>Internal Consultation and Approval on Budget Guidelines &amp; Templates</b>		<b>31 October 2016</b>
	<b>[i]</b>	Workshop Manco	To obtain input from MANCO	03 October 2016
		Workshop and approval Portfolio Committee (Finance)		14 October 2016
		Approval from Council		28 October 2016
	<b>(c)</b>	<b>Development of Mid Year Review , Budget, PMS, Cash flow templates</b>	To ensure standardised templates to include mid year review and 2017/18 Draft Budget	<b>31 October 2016</b>
	<b>[I]</b>	Budget/Operating and Capital cash flow templates		31 October 2016
	<b>[II]</b>	Organisational Score-card & SDBIP		31 October 2016
<b>6</b>		<b>PROJECT PRIORITISATION PROCESS</b>		<b>31 October 2016</b>
		Determine and prioritise Projects as per identified community and institutional needs	Apply prioritisation Model as per Financial Plan	31 October 2016

<b>7</b>		<b>MID YEAR ASSESSMENT (BUDGET/PMS)</b>		
	<b>(a)</b> <b>[i]</b>	Mid Year Budget, Templates forwarded to all Departments	Mid Year performance review to be based on Actuals as at 31 October 2016	07 November 2016
	<b>[ii]</b>	One on One Meetings with Departments	To assist departments in compiling Mid Year Review	7-11 November 2016
	<b>[iii]</b>	Submission of Mid Year Assessment by Directors		21 November 2016
	<b>[iv]</b>	Consolidate input from Departments		05 December 2016
	<b>[v]</b>	One on One Meetings with Departments	TO evaluate submissions received	05 -8 December 2016
		Confirmation of possible roll-overs for 2016/17 Capital budget with one-on-one meetings	Evaluate cash flow projections on capital budget and confirm possible roll-overs	9- 11 November 2016
	<b>(b)</b> <b>[i]</b>	Submission of Mid Year SDBIP's by Directors	Mid year Performance to be based on Actual as at 30 November 2016	07 December 2016
	<b>[ii]</b>	Mid Year Performance Evaluations	To carry out informal evaluation of S57s' performance agreements	12-14 December 2016
	<b>[iv]</b>	Submission of SDBIP's to Internal Audit	To carry out audit on performance measures	15 December 2016
	<b>[v]</b>	Audit Committee Recommendations	Audit Committee to consider Mid Year Budget and Organisational Performance and submit recommendations to EXCO	Mid January 2017
	<b>(d)</b>	Workshop Manco on Mid Year Review and budget adjustment		18-19 January 2017
		2016/17 Mid Year Assessment Council for approval and Budget Adjustment		25 January 2017
<b>8</b>		<b>Draft IDP Review , Budget and PMS 2017/18</b>		
	<b>(a)</b> <b>[i]</b>	Budget, SDBIP Templates (Including Budget Guidelines) forwarded to all SED's	Mid Year performance evaluation to be based on Actuals as at 31 October 2016	23 November 2016
	<b>[ii]</b>	Workshop Extended Manco on 2016/17 Budget Templates		23 November 2016
	<b>[iii]</b>	Submission of Draft Budget and SDBIP's		25 January 2017
	<b>[iv]</b>	Consolidate input from Departments		31 January 2017
	<b>[iii]</b>	One on One Meetings with Departments	TO evaluate submissions received	01-03 February 2017
	<b>(d)</b>	Workshop Manco on Draft 2015/16 IDP and Budget and PMS		29 March 2017
		Approve Draft Budget /IDP/PMS		30-March-2017
		Tabling of Draft IDP/Budget/PMS		30 March 2017
<b>9</b>		<b>Review and/or Development of Sector Plans – IDP</b>		<b>01 December 2016</b>
	<b>(a)</b>	- Sector plan development/Review	High Priority Sector Plans to be given preference	July 2016- November 2016

	(b)	- Incorporation of Sector Strategies into SDBIP's and Budget		01 December 2016
10		<b>Compilation of Budget Documentation</b>		
		Finalise Budget Document Format	Realign to NT guidelines and	13 February 2017
		Completion of the budget documentation	As per National Treasury Budget Guidelines	20 February 2017
		Compilation of Mayor's Speech		20 February 2017
11		<b>Community Consultation Process</b>		
	(a)	<b>Advertise the availability of the Tabled Annual Budget, IDP and SDBIPS and place on website</b>	<b>To ensure public participation.</b>	
		Finalisation and Distribution of Budget/IDP		06 March 2017
		Advertise for public submissions of the budget & dates for hearings		06 March 2017
		Public Participation	Road Shows	April 2017
	(b)	<b>Public Submissions to the Tabled Budget and IDP Review</b>		
		Collation and translation of Submissions		April 2017
		Circulate submissions for comment to CFO/IDPM/relevant departments	To obtain response to submissions	April 2017
		Council to consider written submissions		May 2017
		IDP/Budget /PMS revision after public hearing process		May 2017
12		<b>Approval of Final Budget / IDP review/SDBIP's by Council</b>		<b>30 May 2017</b>
	(b)	<b>Annual budget, related policies, PMS,SDBIP's &amp; documents placed on website and at all municipal offices</b>	<b>Compliance With Legislation</b>	<b>05 June 2017</b>
		Submit electronic reports to National Treasury on tabled budget		01 June 2017
		Submission of IDP Review and Performance Agreements to MEC LG		10 May 2017
		Finalise Performance Agreements for S57's		End June 2017

### 5.3 Process for Consultations with Stakeholder Groups and Outcomes [MFMA 21(1)(b)]

Section 22 of the MFMA requires that after tabling of the annual budget in Council, the municipality must make public the draft budget and also invite the local communities to submit representations thereon. Accordingly the tabling of the draft budget in the Council by 30 March 2017 should be followed by the following activities:

- Draft budget to be submitted to Provincial and National Treasuries.
- Roads shows/Public participation to be conducted
- The advertisement to invite members of the public to comment on the budget to be placed in newspapers. The Draft budget document to be generally distributed to the library and the municipal office to allow the wide invitation of comments and representations to the draft budget.

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## **6. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN**

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An Integrated Development Plan (IDP) is a strategic plan for how the Emadlangeni Municipality will allocate its resources for the next five years to address the priority needs of its communities. It is a plan to help us set our budget priorities, and to guide sector departments in compiling its Medium Term Expenditure Framework.

The IDP will therefore form an agreement with the Municipality and the community on what, how and when projects and programmes will be implemented and how it will be monitored.

It is a Plan for the entire municipal area and summarises the interventions of all spheres of government aligning our local plans with National and Provincial priorities. Whilst the needs identified by communities far exceeds the available resources, the attempts to inform the medium terms budget allocations and priorities to be funded from Nationally raised revenue.

The IDP therefore outlines key areas where we must intervene and focus our resources in order to achieve the developmental mandate of local government.

This strategic plan must also inform municipal decision making as well as business processes of the Municipality.

The IDP adopted in 2012 remains the principle IDP document and it is in its final year. Of importance is that the IDP, PMS and budget processes, (whilst these are distinct processes), are integrally linked processes which must be co-ordinated to ensure that the related policies and tabled budget are mutually consistent and credible.

The approach therefore of the Financial plan is to take into account the Emadlangeni Municipality's contribution to ensure that service delivery priorities as listed below take the following into account for the development of a realistic Capital Investment Program:

- Backlog eradication
- Rehabilitation of infrastructure
- Maintenance on assets
- New Infrastructure taking into account development demands and trends

This process will be finalised during May 2017.

## **How will our Progress be measured? Performance Management**

The strategic objectives in the Integrated Development Plan (IDP) should inform the budget and the Performance Management System. This in turn unpacks into an SDBIP which give effect to the IDP and the budget. The SDBIP sets information on performance indicators, quarterly service delivery targets and monthly budget targets. Managers are required to report monthly and quarterly basis against the targets and Council can then monitor performance of the municipality against the quarterly targets on service delivery.

This is in line with the approved PMS Framework. Furthermore the MSA and related regulations for Top management (section 56's) must have in place a performance agreement that is aligned to the IDP and PMS. The SDBIP usually is the basis for the development of a Performance plan for a section 56 employee and the monitoring and reporting and evaluation is carried out in terms of relevant regulations. A performance bonus may be paid on formal evaluation through a Panel constituted for this purpose – EVALUATION PANEL and only on adoption of the Annual Report for the year in question.

A PMS calendar has been developed to assist managers in measuring progress. It is also imperative that both the Council play an oversight role in this regard. Furthermore, it is necessary for public participation processes to be streamlined to allow for community input into the performance management process to ensure that the goals as set in the IDP are achieved.

## 7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

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### **Borrowing Management**

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Emadlangeni Local Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The composition of the Municipality's debt is one annuity loan which was obtained to fund the Municipal Offices. The following financial performance indicators have formed part of the compilation of the 2017/18 MTREF:

### **Borrowing to asset ratio**

This ratio is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. While this ratio is decreasing over the years, as repayments are made and there are no intentions of increasing the borrowing levels in the short term.

### **Capital charges to operating expenditure**

This is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has been rather flat at less than 1% since 2009/2010, this is attributed to prudence of the municipality by living within its means, therefore, and limiting borrowings as the revenue streams of the municipality are limited.

### **Borrowing funding of own capital expenditure**

Measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. As alluded to above, due to size and geographical location of the municipality its revenue sources are limited hence the ability to fund capital expenditure out of own revenue is very minimal.

### **Safety of Capital**

**The debt-to-equity ratio** is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. The municipality has one annuity loan and the level of borrowing is relatively negligible.

**The gearing ratio** is a measure of the total long term borrowings over funds and reserves. This ratio has been flat and immaterial as the municipality's debt level is very low.

### **Liquidity**

**Current ratio** is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2016/17 MTREF the current ratio is 1.8, 2.0 and 2.1 respectively for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.

**The liquidity ratio** is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2016/17 financial year the ratio was 1.8 and as part of the financial planning strategy it has been decreased from 2.8 in 2013/14 to 1.8 in 2016/17

financial year. This needs to be monitored at all times as meeting current obligations is critical for the municipality and service delivery.

### **Revenue Management**

As part of the financial sustainability efforts, an aggressive revenue management framework is been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the efforts is to enhance the cash flow position of the Municipality.

### **Creditors Management**

The Municipality is doing its level best to ensure that creditors are settled within the legislated 30 days of invoice. The benefits which will accrue are a favourable impact on suppliers' perception of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders.

### **Other Indicators**

The electricity distribution losses continue to be a perennial problem for the Municipality. With the expected electricity tariff hikes we envisage the losses to increase to 16% in 2017/2018. Nevertheless, efforts are being made to manage illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.

Employee costs as a percentage of operating revenue continues to continue to be a challenge over the MTREF as the revenue sources of the Municipality are limited. However, the ratio is within the expected norm of between 31 to 40%.

Repairs and maintenance as percentage of carrying amount of Property Plant and Equipment 2015/16 (R 91 854 633) is budgeted at 3.8 % (R 3 528 930) in 2017/2018. This is below the recommended 8% as guided by MFMA circular 66. The municipality will focus more on the replacing the aged infrastructure for the 2017/18 instead of repairing it.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account



## Insert Table SA8 Performance indicators and benchmarks

KZN253 eMahlangueni - Supporting Table SA8 Performance indicators and benchmarks

		2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
Description of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,3%	0,1%	0,2%	0,2%	0,2%	0,2%	0,2%	0,1%	0,2%	0,2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,5%	0,2%	0,4%	0,3%	0,3%	0,3%	0,3%	0,2%	0,3%	0,4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	2,8	3,3	1,7	6,6	5,5	5,5	5,5	8,1	15,0	25,4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2,8	3,3	1,7	6,6	5,5	5,5	5,5	8,1	15,0	25,4
Liquidity Ratio	Monetary Assets/Current Liabilities	2,1	2,2	0,9	3,7	2,6	2,6	2,6	1,9	2,8	5,5
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		82,4%	85,3%	74,7%	108,9%	108,9%	108,9%	108,9%	70,4%	79,1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		82,4%	85,3%	74,7%	108,9%	108,9%	108,9%	108,9%	70,4%	79,1%	84,2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17,1%	23,8%	25,0%	31,8%	33,4%	33,4%	33,4%	49,8%	61,1%	51,2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		110,5%	33,3%	47,3%	18,8%	30,1%	30,1%	30,1%	38,9%	19,6%	1,3%
<b><u>Other Indicators</u></b>											
	Total Volume Losses (kW)										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	32,9%	33,3%	29,4%	35,5%	36,9%	36,9%	36,9%	39,2%	39,7%	40,0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	37,0%	39,5%	38,3%	39,7%	41,5%	41,5%		43,7%	44,4%	44,6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3,5%	3,3%	8,1%	7,2%	4,6%	4,6%		3,5%	3,6%	3,4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11,3%	11,5%	9,0%	7,9%	6,4%	6,4%	6,4%	6,1%	6,1%	6,2%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	24,6	23,1	25,6	33,2	33,2	33,2	27,3	27,4	26,4	27,7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	33,3%	47,2%	54,2%	71,1%	71,9%	71,9%	71,9%	110,5%	135,6%	114,1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1,4	7,7	6,7	7,5	4,4	4,4	4,4	2,4	2,2	2,2

## **8. OVERVIEW OF BUDGET RELATED POLICIES OVERVIEW AND AMENDMENTS**

The Municipality's budget is guided and governed by relevant legislation and budget related policies. The main purpose of budget related policies is to guide the budget process and inform the projections of the medium-term budget.

The following budget related policies, which have been approved by Council or currently under review, are currently in force to ensure an informed smooth budgetary process and financial management of the Municipality in line with the Municipal Finance Management Act, other relevant legislation and Accounting Standards.

### **8.1 Tariff Policy**

This policy was reviewed in terms of section 74 of the Local Government Municipal Systems Act and will be considered as part of the draft budget tabled at Council by 30 March 2017.

### **8.2 Assessment Rates Policy**

Section 3(1) of the Local Government Municipal Rates Act, 6 of 2004, and sections 62(1) of the MFMA determines that a municipality must adopt and implement a rates policy on the levying of rates on rateable properties. The policy was approved by Council in October 2012. This policy is reviewed annually. .

### **8.3 Credit Control and Debt Collection Policy**

This policy was reviewed and will be considered as part of the draft budget tabled to Council on 30 March 2017. The policy was not amended.

### **8.4 Supply Chain Management Policy**

This policy was reviewed and will be considered as part of the draft budget to be tabled to Council on 30 March 2017.

### **8.5 Cash and Investment Management Policy**

This policy was approved by Council in October 2012 as required by the MFMA. It was considered unnecessary to further amend the policy during the current budget process.

### **8.6 Asset Management and Accounting Policy**

This policy was approved by Council in October 2012 as required by the MFMA. It was considered unnecessary to further amend the policy during the current budget process. The Budget and Treasury Office is currently busy working on the deficiencies identified by internal auditors, which might result in the Asset Management Policy being reviewed.

### **8.7 Leave Policy**

The Leave policy, which has budgetary implications on employee related costs, was reviewed and adopted by Council in June 2016.

## **9. BUDGET ASSUMPTIONS**

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### **9.1 General Inflation Outlooks and its Impact**

The global economy growths are weakening subsequent to weak growth post the US subprime mortgage crisis in prior years. This global financial crisis was followed by a recession, debt crisis and a general slowdown in world economy. This necessitated various stimulus programmes to resuscitate the major global economies. A marked improvement as evidenced by the performance of major global stock markets. China which had phenomenal growth in recent times has also slowed down. The budget deficit has widened and the balance of payments is not favourable, this with other factors has resulted in significant depreciation of the Rand against major currencies.

Emadlangeni Municipality, like and any other business organisation, is still subject to the impact from the global crisis as well as related ripple effects from the high unemployment rates which characterizes the local economy. The recent hikes in, to mention a few, electricity bulk purchases, fuel and the massive depreciation of the rand in recently could not be viewed in isolation of the Municipality. Emadlangeni is not insulated from the effects of the above mentioned economic metrics, therefore, the impact is negative on the Municipality residents and the 2017/18 budget.

### **9.2 Budget Guidelines**

The following are some of the budget percentage increases and assumptions used in preparing 2017/2018 medium-term budget:

<b>Item Description</b>	<b>2016/2017</b>	<b>2017/2018</b>
Assessment Rates	4%	6.4%
Electricity tariffs	7.6%	1.88%
Refuse tariffs	5.0%	6.4%
Salaries and allowances	6.0%	7.0%
Councillors Remuneration	6.0%	6.0%
Electricity Bulk Purchases	7.86%	0.31%
General Expenses	5.0%	6.1%

## **DEBTORS AND CASHFLOW ASSUMPTIONS**

### **Assumptions- Collection rates**

- **Property rates – Collection rate -65%**
- **Electricity Collection rate- 75%**
- **Refuse collection rate-65%**

### **Debt impairment Assumptions**

- **2015/16 - 47% of Gross Debtors Impaired.**
- **2016/17 -43% of Gross Debtors impaired**
- **2017/18 - 40% of Debtors Impaired**

Debt impairment is expected to decrease downwards as collection rates improve with time as By-laws have now been finalised to enforce robust debt and credit control policy.

## **Long term Liability**

- **Capital and Interest repayments are done half yearly in December and June every year.**

## **TRADE AND OTHER PAYABLES AND CASHFLOW ASSUMPTIONS**

- **Payment rate –Creditors 80%**
- **Payment rate-Employee costs-100%** (Except for third party deductions expected to paid in the following month.
- **Finance Charges Payment rate- 100%**
- **Capital Expenditure Payment rate- 95%**
- **Grant expenditure payment rate-100%**
- **Bulk Purchases Payment rate-92%**

## **Grants**

Unspent grants are expected to be fully spent in the respective year received ie there no rollovers or unspent grants at the end of each financial year.

## **Depreciation**

Assets are depreciated on a straight light basis. The assets useful life varies between 7-50 years. Depreciation commences when the asset is ready for use.

## **Property rates**

The valuation roll is implemented the current valuation from 1<sup>st</sup> of July 2013. The new valuation roll to be in place by 1 July 2018. Property rates are to be hiked by 6.4%

## 10. OVERVIEW OF BUDGET FUNDING

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### 10.1 Financial Performance Current Year 2017/2018

The Mid Year Budget and Performance Review budget was tabled in Council in January 2017. It was recommended that an adjustments budget be undertaken, which adjustment budget was adopted by Council in the month of February 2017.

### 10.2 Funding of the 2017/18 Medium-term Budget

The projected operational expenditure for the 2017/2018 financial year amounts to **R77,023,238** and will be funded from Property Rates, National and Provincial grants, other sources of own revenue. The property rates income contributes **R18,983,035**, the revenue for electricity and refuse removal amounts to **R15,028,632** and **R1,670,401** respectively and with an amount of **R29,062,000** funded by the National & Provincial transfers and grants. The balance is funded by other sources of revenue for instance rental of municipal property, revenue from Balele Game Park. The Municipality has cash reserves of over R4 million held in money short term investment accounts. Therefore, operational deficit if they arise can be funded by the available cash resources.

Emadlangeni Local Municipality has a tariff of charges that determines the most acceptable and equitable funding mechanism, this includes the consideration of the actual cost of service delivery of services, budget priorities as well as the relevant legislation and regulations and policy guidelines. The main source of own revenue is derived from the property rates, electricity and refuse with the fiscal transfers more so the equitable share constituting the largest funding source as highlighted above

The summary of tariff increases for 2017/2018 is as follows:

	<u>2017/18</u>
➤ Rates	: 6.4%
➤ Electricity	: 1.88%
➤ Refuse removal services	: 6.4%

Increases in the individual tariffs applicable to the above services are detailed in annexure A of this document,

The following issues were the challenges in the appropriation of funds when preparing the 2017/18 draft budget:

- Determination of rates revenue due to supplementary valuations, appeals and objections
- Determining the optimal tariff structure for refuse and Property rates to enable service delivery and provide value for money for residents
- Initiatives to improve the current payment factor
- Requirement with regard to upgrading and maintenance of existing roads and other assets
- Departmental requirements regarding the filling of critical and vacant positions not previously budgeted for.
- Provision for depreciation and impairment of assets, taking into cognisance that GRAP standards has been fully implemented

### 10.3 Funding of 2017/18 Medium-term Capital Budget

In line with section 18 of the MFMA, the capital budget has been funded from the following funding sources:

The 2017/2018 Infrastructure expenditure amounting to **R19,7 million** is to be funded from the Municipal Infrastructure Grant and the Rural Electrification Grant which are national Grants. Internally generated revenue will contribute R 1 320 000 towards capital expenditure. During the 2017/2018 financial year Council will strive to enhance its cash inflow processes so as to strive to prioritize the allocation of any savings to infrastructure projects in order to invest in the income generating infrastructure assets as well as address the large infrastructure backlog in the communities

### 10.4 Investments

The following investments exist for Emadlangeni Municipality. Interest received on external investments (R1 586 567) will boost the operating revenue.

### Investment Particulars

#### Investments table SA15

KZN253 eMadlangeni - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		17 908	19 418	300	300	300	300	322	322	322
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Municipality sub-total</b>	1	17 908	19 418	300	300	300	300	322	322	322
<b>Entities</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		17 908	19 418	300	300	300	300	322	322	322

## **11. EXPENDITURE ON GRANT ALLOCATION PROGRAMMES**

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### **EXPENDITURE ON GRANT ALLOCATIONS PROGRAMMES**

In terms of the DORA 2017 the purpose of the grants which have been allocated to Emadlangeni Municipality for the EMTF are:

#### **11.1 Financial management Grant**

The purpose of the FMG is to promote and support reforms in the Budget and Treasury Office building the capacity in the municipalities to implement the MFMA, with the following measurable outputs

- Improved and sustained skills development including an internship programme in the BTO
- Upgrading of the IT system to deliver reports which enhance and improve reporting and the quality of data
- Preparation and implementation of supply chain reforms, accounting reforms, producing quality and timely financial statements
- Preparation of financial recovery plans
- Progressive improvements in audit outcomes
- Improvements to internal and external reporting on budgets, finances, SDBIP and annual Reports
- Implementation of the MFMA

#### **11.2 Municipal Infrastructure Grant**

The purpose of the grant is intended for the provision of capital finance for basic municipal infrastructure for the poor households, micro enterprise and social institutions. It is also for provision for new rehabilitation and upgrading of municipal infrastructure, eradicate the bucket sanitation system

Measurable outputs

- Number of new households receiving basic services per annum
- Number of additional kilometres of roads constructed and developed
- Number of sporting facilities constructed and developed
- Number of jobs created using Expanded Public Works Programme (EPWP)
- Number of households where the bucket system has been replaced with an alternative System

#### **11.3 Municipal Property Rates**

The purpose of this grant is intended for the updating, maintenance of the valuation roll as well as the implementation of the property rates act and the respective by –laws.



#### **11.4 Provincialisation of Libraries**

The purpose of this grant is to address the constitutional mandate whereby public libraries are an exclusive provincial mandate. The funding will be for staffing costs in public libraries, currently administered by local authorities.

#### **11.5 Community Libraries**

The purpose of this grant is to provide access to modern day technology and information resources as well as to provide relevant collections of material in libraries which meet the needs of the communities.

#### **11.6 EPWP Grant**

To provide expanded public works programme incentive funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised.

#### **11.7 ELECTRIFICATION GRANT**

To implement the integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.

KZN253 eMadlangeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		19 047	21 636	24 777	27 638	26 681	26 681	28 291	29 277	30 634
Local Government Equitable Share		15 507	17 467	21 017	23 572	23 572	23 572	25 391	27 122	28 219
Finance Management		1 650	1 800	1 800	1 825	1 825	1 825	1 900	2 155	2 415
Municipal Systems Improvement		890	1 369	930	957	–	–	–	–	–
EPWP Incentive		1 000	1 000	1 030	1 284	1 284	1 284	1 000	–	–
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		675	2 986	2 873	738	738	738	771	810	846
Sport and Recreation		150	750	150						
Sport and Recreation		525	1 575							
Small Town Rehabilitation				2 000			–	–	–	–
Other transfers/grants [insert description]			661	723	738	738	738	771	810	846
<b>District Municipality:</b>		200	–	–	–	–	–	–	–	–
Community Participation IDP		200								
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	19 922	24 622	27 650	28 376	27 419	27 419	29 062	30 087	31 480
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		15 432	17 050	9 183	17 913	–	–	21 423	19 667	24 987
Municipal Infrastructure Grant (MIG)		9 932	9 050	9 183	8 913			9 423	9 667	9 987
Integrated National Electrification Programme		5 500	8 000	–	9 000			12 000	10 000	15 000
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		–	–	–	9 000	9 000	9 000	–	–	–
Small Town Rehabilitation					9 000	9 000	9 000	–	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
Community Participation IDP										
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	15 432	17 050	9 183	26 913	9 000	9 000	21 423	19 667	24 987
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		35 354	41 672	36 833	55 289	36 419	36 419	50 485	49 754	56 467

KZN253 eMahlangu - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		6 869	12 169	24 777	27 638	26 681	26 681	28 291	29 277	30 634
Local Government Equitable Share				21 017	23 572	23 572	23 572	25 391	27 122	28 219
Finance Management		1 538	1 800	1 800	1 825	1 825	1 825	1 900	2 155	2 415
Municipal Systems Improvement		415	1 369	930	957	-	-	-	-	-
		3 916	9 000		-			-	-	-
EPWP Incentive		1 000		1 030	1 284	1 284	1 284	1 000	-	-
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		432	2 131	2 371	738	738	738	771	810	846
Sport and Recreation		60	371	371				-	-	-
Sport and Recreation		-	1 561					-	-	-
								-	-	-
Small Town Rehabilitation			200	2 000	-			-	-	-
Other transfers/grants [insert description]		373		-	738	738	738	771	810	846
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Community Participation IDP								-	-	-
								-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]								-	-	-
								-	-	-
<b>Total operating expenditure of Transfers and Grants</b>		7 301	14 301	27 148	28 376	27 419	27 419	29 062	30 087	31 480
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		10 482	9 050	17 183	16 122	16 122	16 122	18 424	16 914	21 489
Municipal Infrastructure Grant (MIG)		10 482	9 050	9 183	8 022	8 022	8 022	8 104	8 314	8 589
Integrated National Electrification Programme				8 000	8 100	8 100	8 100	10 320	8 600	12 900
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		-	-	-	8 100	8 100	8 100	-	-	-
Small Town Rehabilitation					8 100	8 100	8 100	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Community Participation IDP										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		10 482	9 050	17 183	24 222	24 222	24 222	18 424	16 914	21 489
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		17 783	23 351	44 331	52 598	51 641	51 641	47 486	47 001	52 969

## 12. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

As per the attached Annexure B- SA22, SA23 and SA24

KZN253 eMadlangeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		1 755		1 920	3 012	3 286	3 286	3 500	3 707	3 922
Pension and UIF Contributions		-		-	-			-	-	-
Medical Aid Contributions		-		-	-			-	-	-
Motor Vehicle Allowance		-		-	-			-	-	-
Cellphone Allowance		-		-	-			-	-	-
Housing Allowances		-		-	-			-	-	-
Other benefits and allowances		-		-	-			-	-	-
<b>Sub Total - Councillors</b>		1 755	-	1 920	3 012	3 286	3 286	3 500	3 707	3 922
% increase	4		(100,0%)	-	56,9%	9,1%	-	6,5%	5,9%	5,8%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		2 438	3 080	4 257	4 717	4 717	4 717	4 637	4 962	5 309
Pension and UIF Contributions		-	-	-	-			-	-	-
Medical Aid Contributions		-	-	-	-			-	-	-
Overtime		-	-	-	-			-	-	-
Performance Bonus		-	75	-	-			-	-	-
Motor Vehicle Allowance	3	-	-	-	-			-	-	-
Cellphone Allowance	3	-	56	59	118	-	-	-	-	-
Housing Allowances	3	-	-	-	-			-	-	-
Other benefits and allowances	3	-	-	-	-			55	125	134
Payments in lieu of leave		-	226	-	-			-	-	-
Long service awards		-	-	-	-			-	-	-
Post-retirement benefit obligations	6	-	-	-	-			-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		2 438	3 437	4 317	4 835	4 717	4 717	4 692	5 087	5 443
% increase	4		41,0%	25,6%	12,0%	(2,4%)	-	(0,5%)	8,4%	7,0%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		10 604	14 021	15 734	17 859	16 082	16 082	20 283	21 428	22 462
Pension and UIF Contributions		106	1 102	1 382	1 273	1 479	1 479	1 608	1 703	1 802
Medical Aid Contributions		575	630	739	799	861	861	861	912	965
Overtime		380	385	424	115	389	389	245	260	275
Performance Bonus		-	-	-	-			-	-	-
Motor Vehicle Allowance	3	375	231	237	266	358	358	258	273	289
Cellphone Allowance	3	-	-	62	44	100	100	88	93	98
Housing Allowances	3	156	103	42	30	80	80	34	36	38
Other benefits and allowances	3	1 336	1 379	1 891	1 555	2 324	2 324	2 105	2 154	2 278
Payments in lieu of leave		514	388	-	-			-	-	-
Long service awards		-	-	-	-			-	-	-
Post-retirement benefit obligations	6	906	-	-	-			-	-	-
<b>Sub Total - Other Municipal Staff</b>		14 952	18 240	20 511	21 942	21 673	21 673	25 481	26 859	28 205
% increase	4		22,0%	12,5%	7,0%	(1,2%)	-	17,6%	5,4%	5,0%
<b>Total Parent Municipality</b>		19 145	21 677	26 748	29 789	29 677	29 677	33 673	35 652	37 570
			13,2%	23,4%	11,4%	(0,4%)	-	13,5%	5,9%	5,4%

**KZN253 eMadlangeni - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		335 744	3 357	22 800			361 901
Chief Whip			-		-			-
Executive Mayor			419 676	4 197	22 800			446 673
Deputy Executive Mayor			335 744	3 357	22 800			361 901
Executive Committee			285 594	2 856	22 800			311 250
Total for all other councillors			1 810 989	48 064	159 600			2 018 653
<b>Total Councillors</b>	8	-	<b>3 187 746</b>	<b>61 832</b>	<b>250 800</b>			<b>3 500 378</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 251 417	14 391	21 600			1 287 408
Chief Finance Officer			749 124	9 368	7 560			766 052
Director Planning			749 124	9 368	7 560			766 052
Director Coporate Services			374 562	5 622	7 560			387 744
Director Technical Services			220 443	-	-			220 443
Director Community Services			707 622	8 953	7 560			724 135
List of each official with packages >= senior manager								
Acting Municipal Manager			584 774	6 832	10 800			602 407
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>4 637 067</b>	<b>54 535</b>	<b>62 640</b>	<b>-</b>		<b>4 754 242</b>
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total for municipal entities</b>	8,10	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	<b>7 824 814</b>	<b>116 366</b>	<b>313 440</b>	<b>-</b>		<b>8 254 620</b>

KZN253 eMahlangueni - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)	4	7		7	11	–	11	11	–	11
Board Members of municipal entities	5									
<b>Municipal employees</b>										
Municipal Manager and Senior Managers	3	6		6	6	–	6	7	–	7
Other Managers	7	6	2	4	16	–	16	19	12	7
Professionals		35	23	12	76	78	4	52	51	1
Finance		14	4	10		5		9	8	1
Spatial/town planning					3	–	3	5	5	–
Information Technology					1	1	–	1	1	–
Roads		1	1		–	–	–	2	2	–
Electricity					–	–	–	–	–	–
Water										
Sanitation										
Refuse										
Other		20	18	2	72	72	1	35	35	–
Technicians		6	4	2	44	44	–	78	69	9
Finance					–	–	–	6	1	5
Spatial/town planning		1	1					4	–	4
Information Technology		1	1					–	–	–
Roads		2	1	1				20	20	–
Electricity		2	1	1	3	3	–	7	7	–
Water										
Sanitation										
Refuse										
Other					41	41	–	41	41	–
Clerks (Clerical and administrative)		4	3	1	5	4	1			
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		8	7	1						
Elementary Occupations		45	29	16						
<b>TOTAL PERSONNEL NUMBERS</b>	9	117	68	49	158	126	38	167	132	35
<b>% increase</b>					35,0%	85,3%	(22,4%)	5,7%	4,8%	(7,9%)
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10	14	4	10	16	4	12	19	16	3
Human Resources personnel headcount	8, 10							15	13	2

### **13. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOWS**

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As per ANNEXURE B –SA25-SA28

KZN253 eMadlangeni - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>																	
Property rates			1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 861	16 132	17 181	18 300
Service charges - electricity revenue			1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	470	15 029	15 284	15 543
Service charges - water revenue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue			140	140	140	140	140	140	140	140	140	140	140	136	1 670	1 762	1 859
Service charges - other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			163	163	163	163	163	163	163	163	163	163	163	85	1 877	1 988	2 103
Interest earned - external investments			132	132	132	132	132	132	132	132	132	132	132	75	1 529	1 620	1 714
Interest earned - outstanding debtors			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			321	321	321	321	321	321	321	321	321	321	321	183	3 712	3 931	4 159
Licences and permits			135	135	135	135	135	135	135	135	135	135	135	75	1 554	1 646	1 742
Agency services			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies			2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	29 062	30 087	31 471
Other revenue			558	558	558	558	558	558	558	558	558	558	558	364	6 500	6 883	7 282
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>5 671</b>	<b>77 066</b>	<b>80 381</b>	<b>84 173</b>
<b>Expenditure By Type</b>																	
Employee related costs			2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 505	30 173	31 945	33 648
Remuneration of councillors			292	292	292	292	292	292	292	292	292	292	292	292	3 500	3 707	3 922
Debt impairment			134	134	134	134	134	134	134	134	134	134	134	70	1 544	1 635	1 730
Depreciation & asset impairment			399	399	399	399	399	399	399	399	399	399	399	209	4 599	4 870	5 153
Finance charges			9	9	9	9	9	9	9	9	9	9	9	(19)	79	71	63
Bulk purchases			1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	204	12 237	12 274	12 313
Other materials			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services			274	274	274	274	274	274	274	274	274	274	274	(126)	2 885	2 117	2 241
Transfers and subsidies			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure			1 906	1 906	1 906	1 906	1 906	1 906	1 906	1 906	1 906	1 906	1 906	1 039	22 007	22 022	23 145
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>			<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>4 174</b>	<b>77 023</b>	<b>78 642</b>	<b>82 214</b>
<b>Surplus/(Deficit)</b>			<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>1 497</b>	<b>43</b>	<b>1 739</b>	<b>1 959</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			1 785	1 785	1 785	1 785	1 785	1 785	1 785	1 785	1 785	1 785	1 785	1 785	21 423	19 667	24 987
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>3 283</b>	<b>21 466</b>	<b>21 406</b>	<b>26 946</b>
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Enkayangezi Municipality Surplus/(Deficit)</b>	1		<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>3 283</b>	<b>21 466</b>	<b>21 406</b>	<b>26 946</b>



KZN253 eMadlangeni - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>																	
Property rates			1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	15 569	16 130	16 713
Service charges - electricity revenue			1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	15 882	17 101	18 414
Service charges - water revenue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue			140	140	140	140	140	140	140	140	140	140	140	122	1 656	1 747	1 843
Service charges - other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			163	163	163	163	163	163	163	163	163	163	163	163	1 955	2 070	2 190
Interest earned - external investments			132	132	132	132	132	132	132	132	132	132	132	132	1 587	1 680	1 778
Interest earned - outstanding debtors			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			321	321	321	321	321	321	321	321	321	321	321	321	3 849	4 076	4 312
Licences and permits			135	135	135	135	135	135	135	135	135	135	135	135	1 614	1 710	1 809
Agency services			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies			2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	29 062	30 087	31 471
Other revenue			558	558	558	558	558	558	558	558	558	558	558	558	6 693	7 088	7 499
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 490</b>	<b>6 473</b>	<b>77 867</b>	<b>81 689</b>	<b>86 030</b>
<b>Expenditure By Type</b>																	
Employee related costs			2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 516	30 183	31 957	33 660
Remuneration of councillors			292	292	292	292	292	292	292	292	292	292	292	292	3 500	3 707	3 922
Debt impairment			134	134	134	134	134	134	134	134	134	134	134	134	1 608	1 703	1 802
Depreciation & asset impairment			399	399	399	399	399	399	399	399	399	399	399	399	4 789	5 072	5 366
Finance charges			9	9	9	9	9	9	9	9	9	9	9	9	107	113	120
Bulk purchases			1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	13 126	14 123	15 197
Other materials			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services			274	274	274	274	274	274	274	274	274	274	274	274	3 285	2 339	2 475
Transfers and subsidies			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure			1 906	1 906	1 906	1 906	1 906	1 906	1 906	1 906	1 906	1 906	1 906	1 906	22 874	22 705	23 794
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>			<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 623</b>	<b>6 624</b>	<b>79 474</b>	<b>81 719</b>	<b>86 336</b>
<b>Surplus/(Deficit)</b>			<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>	<b>(152)</b>	<b>(1 606)</b>	<b>(30)</b>	<b>(306)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			1 785	1 785	1 785	1 785	1 785	1 785	1 785	1 785	1 785	1 785	1 785	1 785	21 423	19 667	24 987
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 634</b>	<b>19 817</b>	<b>19 637</b>	<b>24 681</b>
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Enslangelen Municipality Surplus/(Deficit)</b>	1		<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 653</b>	<b>1 634</b>	<b>19 817</b>	<b>19 637</b>	<b>24 681</b>

KZN253 eMahlangueni - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description		Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue by Vote</b>																	
Vote 1 - Governance and Administration			4 309	4 309	4 309	4 309	4 309	4 309	4 309	4 309	4 309	4 309	4 309	4 603	51 996	55 536	58 530
Vote 2 - Community and Public Safety			360	360	360	360	360	360	360	360	360	360	360	239	4 204	4 445	4 692
Vote 3 - Economic and Environmental Services			1 902	1 902	1 902	1 902	1 902	1 902	1 902	1 902	1 902	1 902	1 902	1 899	22 819	20 087	25 431
Vote 4 - Trading Services			1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	633	16 934	17 295	17 666
Vote 5 - Other.			220	220	220	220	220	220	220	220	220	220	220	115	2 535	2 684	2 840
Vote 6 - [NAME OF VOTE 6]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote			8 273	8 273	8 273	8 273	8 273	8 273	8 273	8 273	8 273	8 273	8 273	7 489	98 489	100 048	109 160
<b>Expenditure by Vote to be appropriated</b>																	
Vote 1 - Governance and Administration			3 179	3 179	3 179	3 179	3 179	3 179	3 179	3 179	3 179	3 179	3 179	1 673	36 637	37 638	39 848
Vote 2 - Community and Public Safety			1 060	1 060	1 060	1 060	1 060	1 060	1 060	1 060	1 060	1 060	1 060	1 019	12 674	13 415	14 182
Vote 3 - Economic and Environmental Services			801	801	801	801	801	801	801	801	801	801	801	794	9 604	9 096	9 441
Vote 4 - Trading Services			1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 355	459	15 360	15 583	15 812
Vote 5 - Other.			229	229	229	229	229	229	229	229	229	229	229	227	2 748	2 910	2 929
Vote 6 - [NAME OF VOTE 6]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote			6 623	6 623	6 623	6 623	6 623	6 623	6 623	6 623	6 623	6 623	6 623	4 173	77 023	78 642	82 214
Surplus/(Deficit) before assoc.			1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	3 316	21 466	21 406	26 946
Taxation														-	-	-	-
Attributable to minorities														-	-	-	-
Share of surplus/ (deficit) of associate														-	-	-	-
Surplus/(Deficit)		1	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	3 316	21 466	21 406	26 946

KZN253 eMahlangueni - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description		Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue - Functional</b>																	
<b>Governance and administration</b>			4 309	4 309	4 309	4 309	4 309	4 309	4 309	4 309	4 309	4 309	4 309	4 603	51 996	55 536	58 530
Executive and council			2 114	2 114	2 114	2 114	2 114	2 114	2 114	2 114	2 114	2 114	2 114	2 132	25 391	27 122	28 210
Finance and administration			2 194	2 194	2 194	2 194	2 194	2 194	2 194	2 194	2 194	2 194	2 194	2 471	26 605	28 414	30 320
Internal audit			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>			360	360	360	360	360	360	360	360	360	360	360	239	4 204	4 445	4 692
Community and social services			152	152	152	152	152	152	152	152	152	152	152	110	1 776	1 875	1 972
Sport and recreation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety			209	209	209	209	209	209	209	209	209	209	209	129	2 428	2 571	2 720
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>			1 902	1 902	1 902	1 902	1 902	1 902	1 902	1 902	1 902	1 902	1 902	1 899	22 819	20 087	25 431
Planning and development			111	111	111	111	111	111	111	111	111	111	111	110	1 330	349	369
Road transport			1 791	1 791	1 791	1 791	1 791	1 791	1 791	1 791	1 791	1 791	1 791	1 789	21 490	19 738	25 062
Environmental protection			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>			1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	633	16 934	17 295	17 666
Energy sources			1 344	1 344	1 344	1 344	1 344	1 344	1 344	1 344	1 344	1 344	1 344	481	15 264	15 533	15 807
Water management			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management			138	138	138	138	138	138	138	138	138	138	138	152	1 670	1 762	1 859
<b>Other</b>			220	220	220	220	220	220	220	220	220	220	220	115	2 535	2 684	2 840
<b>Total Revenue - Functional</b>			8 273	8 273	8 273	8 273	8 273	8 273	8 273	8 273	8 273	8 273	8 273	7 489	98 489	100 048	109 160
<b>Expenditure - Functional</b>																	
<b>Governance and administration</b>			2 207	2 207	2 207	2 207	2 207	2 207	2 207	2 207	2 207	2 207	2 207	12 362	36 637	37 638	39 848
Executive and council			788	788	788	788	788	788	788	788	788	788	788	703	9 367	9 936	10 500
Finance and administration			1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	11 621	26 810	27 142	28 756
Internal audit			38	38	38	38	38	38	38	38	38	38	38	38	460	560	592
<b>Community and public safety</b>			1 059	1 059	1 059	1 059	1 059	1 059	1 059	1 059	1 059	1 059	1 059	1 020	12 674	13 416	14 183
Community and social services			499	499	499	499	499	499	499	499	499	499	499	462	5 948	6 293	6 647
Sport and recreation			190	190	190	190	190	190	190	190	190	190	190	189	2 277	2 411	2 551
Public safety			371	371	371	371	371	371	371	371	371	371	371	369	4 449	4 712	4 985
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>			801	801	801	801	801	801	801	801	801	801	801	793	9 604	9 096	9 441
Planning and development			398	398	398	398	398	398	398	398	398	398	398	397	4 774	3 997	4 229
Road transport			403	403	403	403	403	403	403	403	403	403	403	396	4 830	5 099	5 213
Environmental protection			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>			1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 355	459	15 360	15 583	15 812
Energy sources			1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	382	14 429	14 597	14 769
Water management			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management			78	78	78	78	78	78	78	78	78	78	78	77	931	986	1 043
<b>Other</b>			229	229	229	229	229	229	229	229	229	229	229	227	2 748	2 910	2 929
<b>Total Expenditure - Functional</b>			5 651	5 651	5 651	5 651	5 651	5 651	5 651	5 651	5 651	5 651	5 651	14 860	77 023	78 642	82 214
<b>Surplus/(Deficit) before assoc.</b>			2 622	2 622	2 622	2 622	2 622	2 622	2 622	2 622	2 622	2 622	2 622	(7 371)	21 466	21 406	26 946
<b>Emahlangueni Municipality</b>			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>			2 622	2 622	2 622	2 622	2 622	2 622	2 622	2 622	2 622	2 622	2 622	(7 371)	21 466	21 406	26 946

**KZN253 eMadlangeni - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - [NAME OF VOTE 1]													-	-	-	-
Vote 2 - [NAME OF VOTE 2]													-	-	-	-
Vote 3 - [NAME OF VOTE 3]													-	-	-	-
Vote 4 - [NAME OF VOTE 4]													-	-	-	-
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - [NAME OF VOTE 1]		44	44	44	44	44	44	44	44	44	44	44	44	525	1 250	1 500
Vote 2 - [NAME OF VOTE 2]		12	12	12	12	12	12	12	12	12	12	12	12	145	500	630
Vote 3 - [NAME OF VOTE 3]		1 579	1 579	1 579	1 579	1 579	1 579	1 579	1 579	1 579	1 579	1 579	1 579	18 949	17 484	22 139
Vote 4 - [NAME OF VOTE 4]		5	5	5	5	5	5	5	5	5	5	5	5	60	140	170
Vote 5 - [NAME OF VOTE 5]		5	5	5	5	5	5	5	5	5	5	5	5	65	190	220
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	1 645	1 645	1 645	1 645	1 645	1 645	1 645	1 645	1 645	1 645	1 645	1 645	19 744	19 564	24 659
<b>Total Capital Expenditure</b>	2	1 645	1 645	1 645	1 645	1 645	1 645	1 645	1 645	1 645	1 645	1 645	1 645	19 744	19 564	24 659

#### **14. ANNUAL BUDGET AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

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The draft Budget and Service Delivery Implementation Plans have been submitted separately for Council's consideration and approval.

## **15. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

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In terms of the Municipality's Supply Management Policy, no contracts are awarded beyond the medium –term revenue and expenditure framework(Three years)It is envisaged at this stage that no contract will have budgetary implications beyond a period of three years.

## 16. CAPITAL EXPENDITURE DETAILS ( SA 34a)

KZN253 eMahlangueni - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		13 399	20 248	14 080	15 309	15 259	15 259	18 424	16 914	21 489
Roads Infrastructure		13 399	20 248	14 080	15 309	15 259	15 259	18 424	16 914	21 489
Roads		13 399	20 248	14 080	15 309	15 259	15 259	18 424	16 914	21 489
<b>Other assets</b>		-	-	500	300	50	50	50	250	300
Operational Buildings		-	-	500	300	50	50	50	250	300
Municipal Offices		-	-	500	300	50	50	50	250	300
<b>Intangible Assets</b>		-	-	201	-	-	-	200	400	500
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	201	-	-	-	200	400	500
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	201	-	-	-	200	400	500
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		28	183	150	100	441	441	290	580	670
Computer Equipment		28	183	150	100	441	441	290	580	670
<b>Furniture and Office Equipment</b>		92	62	350	100	714	714	235	640	730
Furniture and Office Equipment		92	62	350	100	714	714	235	640	730
<b>Machinery and Equipment</b>		1 612	294	1 330	50	70	70	145	400	470
Machinery and Equipment		1 612	294	1 330	50	70	70	145	400	470
<b>Transport Assets</b>		-	441	1 916	450	1 050	1 050	400	380	500
Transport Assets		-	441	1 916	450	1 050	1 050	400	380	500
<b>Libraries</b>		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	15 131	21 228	18 527	16 309	17 584	17 584	19 744	19 564	24 659

## **17. LEGISLATION COMPLIANCE STATUS**

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### **17.1 Municipal Finance Management Act**

The Municipal Finance Management Act, No. 56 of 2003 came into effect on 1 July 2004. The Emadlangeni Municipality was identified as a low capacity Municipality, and as such had the benefit of implementing the Act with dispensations. The following main processes have been implemented in terms of the Municipal Finance Management Act:

- The budget process.
- Supply Chain Management.
- Full implementation of GRAP.
- Financial in-year reporting.
- Adjustment budgeting
- Annual reporting.
- Compilation and implementation of various policies.
- Compilation of procedural notes for main financial accounting processes.
- The budget and Treasury office has been established in accordance with the requirements
- Service Delivery and Budget Implementation plans are applied as monitoring tools
- Audit Committee has been established

### **17.2 Municipal Property Rates Act**

The 2017/18 and the preceding year are challenging years for Emadlangeni Municipality as the current Valuation roll was implemented from the 1<sup>st</sup> of July 2013 and queries on market values are still be raised by Property owners.

### **17.3 Compliance with Gazette 32141: Municipal Budget and Reporting Regulations**

The budget has been prepared in compliance with the Budget and Reporting Regulations.

### **17.4 Other Legislation**

Emadlangeni Municipality has complied with a number of other legislation, including the Local Government Municipal Systems Act, gazettes and circulars issued by Treasuries on a continuous basis.



## 18. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

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I Mr L.C.T Nkosi Acting Municipal Manager of **Emadlangeni Municipality**, hereby certify that the draft annual budget and supporting documentation of the 2017/2018 Operating and Capital Budget have been prepared in accordance with the Municipal Finance Management Act, 56 of 2003, and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name : Mr L.C.T NKOSI

Acting Municipal Manager of : EMADLANGENI MUNICIPALITY

Signature : .....

Date : .....